

The complaint

Miss S made a claim on her Red Sands Insurance Company (Europe) Limited ('Red Sands') pet insurance policy, which Red Sands declined.

Miss S says that Red Sands treated her unfairly.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I uphold Miss S' complaint for broadly the same reasons set out by the investigator. This is why:

The starting point is the policy terms. They exclude cover for pre-existing conditions which is defined as *"A condition, injury or illness is pre-existing if (the pet) has shown signs or symptoms before you joined (Red Sands), or within 14 days from your initial policy start date."* In this case Red Sands declined to cover Miss S' claim because they said the problem claimed for- namely surgery for BOAS- was showing signs or symptoms before the policy was in place. They cite two references in the pet's clinical history to *"stenotic nares typical of breed"* and its *"respiratory rate panting, loud noise on occasion."* Red Sands say that this combined with the fact that the pet needed surgery to correct moderate nasal stenosis, as well as marked stertor and sleep apnoea, means the symptoms were evident before the policy was in place. The matter for me to determine in this case is whether that's right and if so whether they're entitled to decline Miss S' claim in the way that they have.

It's true that two records were made noting stenotic nares and panting with loud noise on occasion, but these weren't the purposes of the pet's visits to the vet at the time. And although these notes were made, there was nothing to suggest the vet was concerned about these matters, such that they needed to be monitored or considered further at all. Indeed, the first entry confirms the stenotic nares are typical of the breed, which to my mind amounts to nothing more than an observation rather than something that suggests a change to the pet's healthy state, such that a policyholder might consider a problem might arise from it at a later date. I've also seen three accounts from different vet's setting out that the observations were common features of the breed of the pet, but none of those vets said that they amounted to anything that might be wrong with the pet, nor that treatment might later be required. As such I don't think the notes made amount to signs or symptoms of the problem Miss S later claimed for, such that these entries could amount to the problem being pre-existing. Otherwise, and as two out of three of the vets say, no cover would ever be available to pets of this breed because the matters noted are common features but do not necessarily amount to surgery being required. And, as Red Sands is aware, when determining whether an insurer is entitled to rely on a term like this, we look at the knowledge of the policyholder

before the policy was in place. There's nothing to suggest that Miss S would have thought there might be a problem with her pet based on these clinical notes, and the reason for the visit to the vet on both occasions was very different. Because of this, I don't think Red Sands were entitled to turn the claim down in the way that they have.

Red Sands have made various assertions about the matters noted in the pet's clinical history amounting to symptoms of BOAS for a variety of reasons. They say these features increase the risk of BOAS surgery being necessary. Whilst that might be the case, that doesn't mean that features typical of a breed amount to a symptom of a problem in themselves. And given Red Sands don't exclude the treatment of BOAS and do insure pets of this particular breed, it's up to them to determine and price that risk accordingly. They are not however entitled to turn down claims based on observed features common to a pet's breed simply because there's an increased risk they might later require surgery. That would mean penalising a policyholder twice by underwriting a risk then denying cover for it altogether.

I accept the position that stenotic nares like any extreme confirmation feature predispose the pet to the risk of disease but the same could be said about anything else that is common to a breed and amounts to a risk factor. Whether that risk is increased by virtue of the breed and feature is immaterial. Equally the fact that surgery was performed to resection the pet's nostrils makes no difference here. The fact remains that we would not treat these notes as signs or symptoms and certainly not ones that would prompt Miss S to think there might be a problem at a later date.

Like the investigator I think that Red Sands' repeated refusal to accept the notes on the clinical records were not signs or symptoms of a pre-existing condition would have caused Miss S considerable distress and inconvenience at a difficult time. She's talked about the emotional and financial impact of their stance had on her and the need to seek financial assistance to cover her veterinary bills. I think this would have been particularly distressing given her pet was unwell and that this would have caused her inconvenience in having to challenge the position on several occasions. I have set out what I feel a fair award of compensation is to provide for this below.

Putting things right

Red Sands Insurance Company (Europe) Limited should pay Miss S:

- her claim in line with the remaining policy terms plus interest at 8% per year simple from the time the veterinary fees were settled by Miss S until she is reimbursed. If Miss S has incurred credit card interest as a result of having to pay those fees, Red Sands should reimburse her for these in the alternative to paying the interest I've set out above, subject to Miss S providing evidence of this.
- £100 in compensation for the distress and inconvenience caused by wrongly declining this claim on several occasions.

My final decision

I uphold Miss S' complaint against Red Sands Insurance Company (Europe) Limited and direct them to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 20 October 2025.

Lale Hussein-Venn
Ombudsman